

Amendments to the Specification

Please replace the paragraph beginning on page 3, line 10, with the following replacement paragraph:

The computer docking unit 350B attaches to a desktop personal computer (PC) 381 via a suitable digital interface 383, which can be, for example the well-known USB cable interface. A DVD recorder 360B can be part of the desktop PC 381, and can store the motion video images and still images transferred from the digital camera 300. The desktop PC ~~380~~ 381 includes a display monitor 387, as well as internal Random Access Memory (RAM) (not shown) and a magnetic hard drive memory (not shown). The desktop PC ~~380~~ 381 can optionally be connected to other peripherals, such as a color printer 385.

Please replace the paragraph beginning on page 3, line 18, with the following replacement paragraph:

The TV docking unit 350A recharges the camera batteries and enables the motion and still image files to be displayed on a TV monitor or receiver 370. The files can also be stored onto an optical disc using DVD recorder 360A. The connection to the TV monitor or receiver 370 is made using a standard video interface 372, which can be, for example, an analog composite video and audio ~~cables~~ cable or a component digital video interface.

Please replace the paragraph beginning on page 6, line 17, with the following replacement paragraph:

The first frame of the motion JPEG image is later used as a thumbnail image, to represent the motion video file in an image navigation display. Therefore, the first frame of the motion image sequence is compressed using a higher target bit rate ~~during~~ in order to yield a higher quality level for the still image that will be used to

represent the motion image sequence. All of the other frames of the motion sequence are compressed using a lower target bit rate, so that they have a lower quality level.

Preferably, the target data rate is set by selecting an appropriate quantization table. To provide a higher target bit rate and correspondingly higher quality level, the quantizer table has finely spaced quantization steps. This enables the compressed first frame to more accurately depict the original image data, minimizing visible compression artifacts. To provide a lower target bit rate, a quantization table with more coarsely spaced quantization steps is used. This decreases the quality as a result of compression artifacts, but such a decreased quality level is acceptable since these video images will be only viewed as part of a motion video sequence, and will not normally be viewed as a still image.

In the Part List on page 14, please replace the paragraph associated with reference numerals 630A-630D with the following replacement paragraphs:

632A-632D	small navigation images
634B	icon
634C	icon